

**03-*R*-0604**

**A Resolution**

**By Community Development /Human Resources Committee**

**A RESOLUTION CERTIFYING TO THE OPERATION  
OF THE REVOLVING LOAN FUND (RLF), EDA  
PROJECT NUMBER 04#-3904038 BY THE CITY OF  
ATLANTA; AND FOR OTHER PURPOSES.**

**WHEREAS**, the Department of Planning and Community Development and the Revolving Loan Fund Committee (herein referred to as the RLF Committee) have reviewed the performance of the RLF for the 12- month period ending September 30,2002, relative to the area's adjustment strategy and the RLF Plan; and

**WHEREAS**, the City and the RLF Committee have determined that the RLF is consistent with and supportive of the area's current economic adjustment strategy and a summary of the major objectives of the RLF through September 30, 2002 is attached as exhibit "A":

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, AS FOLLOW:**

**Section 1:** The City of Atlanta hereby has determined and certified that (1) the Revolving Loan Fund EDA Project 04#-3904038 (RLF) is consistent with and supportive of the area's current economic adjustment strategy, and (2) the RLF is being operated in accordance with the policies and procedures contained in the RLF Plan, and the loan portfolio meets the standards contained herein.

**EXHIBIT "A"**

**ADA's Compliance with the Economic Development  
Administration's Revolving Loan Fund (RLF)**

**DATE:** March 19, 2003

The following is a summary of the major objectives of ADA's Revolving Loan Fund Program:

1. Provide service to low/moderate income residents;
2. Create new jobs and retain existing jobs in the City;
3. Increase per capita income level in the City;
4. Further diversify the economy of the City;
5. Increase the tax base of the City;
6. Overcome the lack of investment capital available to small businesses and start-ups in particular;
7. Provide financing for innovative manufacturing and service companies;
8. Promote the revitalization of deteriorated areas;
9. Assist business-owned and operated by women, minorities, and others which are economically disadvantaged;
10. Promote the exportation of goods and services;
11. Complement the effectiveness of similar programs (i.e., the SBA loan program, and the Business Improvement Loan Fund (BILF) Program;
12. Leverage the maximum investment of private dollars with the minimum investment of RLF funds;
13. Assist the expansion and/or modernization of existing businesses;
14. The interest rate changes by the RLF will never fall below 4%;
15. The minimum loan that the RLF will make will be \$10,000 with the maximum loan being \$100,000;
16. Working Capital loans shall not exceed 50% of the total RLF loan portfolio;
17. RLF borrower, qualifying by job creation, will generally be expected to create or retain one (1) job, or the part-time equivalent for each \$15,000 borrowed from the RLF program. The requirement can be waived if the program has or expects to have a job surplus ratio.

A summary of the Loans Closed through September 30, 2002 is available. The list confirms our compliance with the above goals.

**PART IV: PORTFOLIO LOAN LIST**  
**Provide the following information for each RLF loan closed.**

| Loan Recipient                                                                                                                                         | Loan Type Description                    | Financing by Source (Specify)       | Closing Date & Loan Term                                              | Loan Status                       | Repayment Status                                                                                  | Job Impact                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------|-----------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Southern Comfort Rest., Inc.<br>Youngblood's Café<br>595 Piedmont Avenue<br>(RIO Mall)<br>Atlanta, Ga<br>Restaurant<br>SIC Code 5812<br>Minority Owned | Direct Loan<br>Fixed Assets<br>Start-up  | RLF: \$ 60,000<br>Equity: \$ 44,000 | 12/6/95<br>6 years;<br>6%<br>\$75 Fee<br>Closing Costs:<br>\$1,356    | Paid Out                          | Principal Repaid:<br>\$60,000<br><br>Interest:<br>\$10,423.86                                     | Pre-loan Jobs: 11<br>Jobs Created: 11<br>Minority Jobs: 10<br>Female Jobs: 05 |
| The Beautiful Restaurant<br>2260 Cascade Road<br>Atlanta, Ga<br>Restaurant<br>SIC Code 5812<br>Minority Owned                                          | Direct Loan<br>Fixed Assets<br>Expansion | RLF: \$ 50,000<br>Equity: \$200,000 | 6/25/95<br>7 years;<br>6%<br>\$75 Fee<br>Closing Costs:<br>\$1,365    | Current                           | Principal Repaid:<br>\$40,326.36<br><br>Interest:<br>\$14,693.67                                  | Pre-loan Jobs: 04                                                             |
| Creative Fine Arts, Inc.<br>645 Northside Drive<br>Atlanta, Ga<br>Art Store/Materials<br>SIC Code 5023<br>Minority & Female Owned                      | Direct Loan<br>Fixed Assets<br>Expansion | RLF: \$100,000<br>Equity: \$500,000 | 1/24/97<br>7 years;<br>6%<br>\$75 Fee<br>Closing Costs:<br>\$1,065    | Delinquent:<br>over 31-60<br>days | Principal Repaid:<br>\$71,409.48<br><br>Interest:<br>\$21,473.77<br><br>Delinquent:<br>\$5,148.88 | Pre-loan Job: 01                                                              |
| ViJay Bhandari<br>Sun Foods Corp.<br>CNN Center, Suite 220<br>Atlanta, Ga<br>Restaurant<br>SIC Code 5812<br>Minority Owned                             | Direct Loan<br>Fixed Assets<br>Expansion | RLF: \$ 74,250<br>Equity: \$150,750 | 11/26/6<br>7 years;<br>6%<br>\$75 Fee<br>Closing Costs:<br>\$1,621.25 | Paid Out                          | Principal Repaid:<br>\$74,250.00<br><br>Interest:<br>\$13,750.65                                  | Pre-loan Jobs: 11<br>Jobs Created: 11<br>Minority Jobs: 10<br>Female Jobs: 05 |

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|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Sylvia Woods Enterprises<br>Atlanta, LLC<br>133 Trinity Avenue<br>Atlanta, Ga<br>Restaurant<br>SIC Code 5812<br>Minority Owned | Direct Loan<br>Fixed Assets<br>New       | RLF: \$100,000<br>Equity: \$773,535                    | 4/7/98<br>7 years;<br>7%<br>\$75 Fee<br>Closing Costs:<br>\$1,000    | Current                      | Principal Repaid:<br>\$47,663.22<br><br>Interest:<br>\$28,212.29                                  | Pre-loan Jobs: 06                                                             |
| J. W. Piedmont, LLC<br>723 Piedmont Avenue<br>Atlanta, Ga<br>Graphic Design Firm<br>SIC Code 7336<br>Minority Owned Mall       | Direct Loan<br>Fixed Assets<br>Expansion | RLF: \$ 23,750<br>Equity: \$451,250                    | 3/10/97<br>15 years;<br>6.5%<br>\$75 Fee<br>Closing Costs:<br>\$501  | Paid Out                     | Principal Repaid:<br>\$23,750.00<br><br>Interest:<br>\$5,956.45                                   | Pre-loan Jobs: 06                                                             |
| Sumner Group, Inc.<br>236 Auburn Avenue<br>Atlanta, Ga<br>Restaurant<br>SIC Code 5812<br>Minority Owned Mall                   | Direct Loan<br>Fixed Assets<br>Start-up  | RLF: \$ 49,200<br>Equity \$ 6,000                      | 10/31/95<br>15 years;<br>6.5%<br>\$75 Fee                            | Default                      | Principal Repaid:<br>\$4,200<br><br>Interest:<br>\$45,000                                         | Pre-loan Jobs: 02<br>Jobs Created: 02<br>Minority Jobs: 02                    |
| Thelma's Rib Shack<br>302 Auburn Avenue<br>Atlanta, Ga<br>Restaurant<br>SIC Code 5812<br>Minority Owned Mall                   | Direct Loan<br>Fixed Assets<br>Start-up  | RLF: \$57,157<br>Private: \$90,000<br>Equity: \$29,800 | 10/31/5<br>15 years;<br>5%<br>\$75 Fee<br>Closing Costs:<br>\$928.50 | Delinquent:<br>Over 120 Days | Principal Repaid:<br>\$11,941.03<br><br>Interest:<br>\$12,287.07<br><br>Delinquent:<br>\$6,760.41 | Pre-loan Jobs: 05<br>Jobs Created: 05<br>Minority Jobs: 05<br>Female Jobs: 02 |

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|------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------|-------------|--------------------------------------------------------------|-------------------|
| Leader Publishing Group<br>One South Prado<br>Atlanta, Ga<br>Publishing Company<br>SIC Code 8743<br>Female Owned | Direct Loan<br>Working Capital<br>New | RLF: \$22,500<br>Equity: \$54,200                       | 7/8/78<br>3 years;<br>6.25%<br>\$75 Fee<br>Closing Costs:<br>\$736       | Paid Out    | Principal Repaid:<br>\$22,500<br>Interest:<br>\$1,092.92     | Jobs Created: 04  |
| Ara Print, Inc.<br>34 Peachtree Street<br>Atlanta, Ga<br>Printing Company<br>SIC Code 7334                       | Equipment<br>New                      | RLF: \$22,000<br>Equity: \$40,000                       | 1/16/98<br>5 years;<br>6.5%<br>\$75 Fee<br>Closing Costs:<br>\$492       | Current     | Principal Repaid:<br>\$19,479.28<br>Interest:<br>\$4,307.83  | Jobs Created: 03  |
| Ray's All American Food Store<br>Jonesboro Road<br>Atlanta, Ga<br>SIC Code 5411                                  | Working Capital<br>New                | RLF: \$100,000<br>Bank: \$100,000                       | 12/12/98<br>6 years;<br>6.5%<br>\$75 Fee<br>Closing Costs:<br>\$2,667.60 | Paid Out    | Principal Repaid:<br>\$100,000<br>Interest:<br>\$7,944.17    | Jobs Created: 10  |
| Max Lager's<br>320 Peachtree Street<br>Atlanta, Ga<br>Restaurant<br>SIC Code 5812<br>Female Owned                | Working Capital<br>New                | RLF: \$100,000<br>Bank: \$800,000<br>Private: \$700,000 | 31/26/6<br>7 years;<br>6%<br>\$75 Fee                                    | Current     | Principal Repaid:<br>\$68,375.96<br>Interest:<br>\$18,418.38 | Pre-loan Jobs: 81 |